

Innovation Charter School, Inc.

(A Component Unit of the School
District of Broward County, Florida)

Basic Financial Statements
and Additional Information
For the Year Ended June 30, 2026

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Innovation Charter School, Inc.
Pompano Beach, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Innovation Charter School, Inc. (the "School"), a component unit of the School District of Broward County, Florida, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the School, as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School's ability to continue as a going concern for a reasonable period of time.

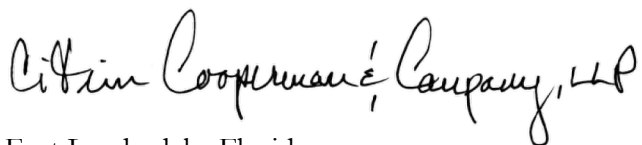
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 8 and the budgetary comparison information on pages 23 through 25 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2026, on our consideration of the School's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control over financial reporting and compliance.



Fort Lauderdale, Florida
September 29, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Innovation Charter School, Inc. (the "School"), a component unit of the School District of Broward County, Florida (the "District"), we offer readers of the School's financial statements this narrative overview and analysis of the financial activities of the School for the year ended June 30, 2026, with comparative information for the year ended June 30, 2025.

Management's discussion and analysis is included at the beginning of the School's financial statements to provide, in layman's terms, the past and current position of the School's financial condition. This summary should not be taken as a replacement for the audit, which consists of the financial statements.

Financial Highlights

Our financial statements provide these insights into the results of this year's operations:

- The School's total assets exceeded its liabilities at June 30, 2026 by \$ 2,844,932 (net position).
- The School's total revenues were \$5,708,409, \$ 3,451,695 from full-time equivalents ("FTE"), \$1,034,512 from referendum revenues, \$ 151,184 from miscellaneous revenues, and \$ 1,071,018 from program revenues. The School's expenses for the year were \$ 5,293,193. Net position increased by \$ 415,216.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the School's financial statements. The School's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also includes required supplementary information intended to furnish additional detail to support the financial statements themselves.

Government-wide financial statements: The government-wide financial statements, which consist of the statement of net position and the statement of activities, are designed to provide readers with a broad overview of the School's finances, in a manner similar to a private-sector business.

The statement of net position presents financial information on all of the School's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the School's financial position is improving or deteriorating. However, as a governmental entity, the School's activities are not geared toward generating profit as are the activities of commercial entities. Other factors such as the safety at the School and quality of education must be considered in order to reasonably assess the School's overall performance.

The statement of activities presents information showing how the School's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 9 and 10 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing the School's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the School's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental funds and governmental activities.

The School maintains several individual governmental funds. The General Fund, Special Revenue Fund, and Capital Projects Fund are considered to be the School's major funds.

The School adopts an annual budget for its governmental funds, except for the Capital Projects Fund. A budgetary comparison statement has been provided for the General Fund and Special Revenue Fund to demonstrate compliance with the budget.

The governmental funds financial statements can be found on pages 11 through 14 of this report.

Notes to financial statements: The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found on pages 15 through 22 of this report.

Other information: In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the School's adopted budget to actual results. Required supplementary information can be found on pages 23 through 25 of this report.

Financial Summary and Detailed Analysis

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of financial position. In the case of the School, assets exceeded liabilities by \$ 2,844,932 at the close of the most recent fiscal year.

Innovation Charter School, Inc.			
Net Position			
	2026	2025	Variance
Current and other assets	\$ 2,906,031	\$ 2,645,827	\$ 260,204
Capital assets, net	1,467,914	565,024	902,890
Total assets	4,373,945	3,210,851	1,163,094

Government-Wide Financial Analysis (continued)

Innovation Charter School, Inc. Net Position (continued)			
	2026	2025	Variance
Other liabilities	\$ 146,223	\$ 781,135	\$ (634,912)
Long term liabilities	<u>1,382,790</u>	<u>-</u>	<u>1,382,790</u>
Total liabilities	<u>1,529,013</u>	<u>781,135</u>	<u>747,878</u>
Net Position:			
Net investment in capital assets	85,124	97,262	(12,138)
Unrestricted	<u>2,759,808</u>	<u>2,332,454</u>	<u>427,354</u>
Total net position	\$ <u>2,844,932</u>	\$ <u>2,429,716</u>	\$ <u>415,216</u>

Current and other assets increased due to an increase in the School's cash position and amounts due from other governments. Capital assets, net of depreciation, increased due to an increase in the building lease asset as a result of the new agreement extending the School's existing use for three more years, offset by current year depreciation and amortization of \$ 479,900. Long-term liabilities increased due to the addition of a lease payable of \$ 1,382,790.

Governmental activities: The School's overall net position increased \$ 415,216 from the prior fiscal year. The reasons for this overall increase are discussed in the following section for governmental activities.

Innovation Charter School, Inc. Change in Net Position			
	2026	2025	Variance
Revenues:			
General revenues:			
FTE nonspecific revenues	\$ 3,451,695	\$ 3,523,832	\$ (72,137)
Referendum revenues	1,034,512	528,404	506,108
Miscellaneous revenues	151,184	110,595	40,589
Program revenues:			
Operating grants and contributions	585,289	977,596	(392,307)
Capital grants and contributions	<u>485,729</u>	<u>375,235</u>	<u>110,494</u>
Total revenues	<u>5,708,409</u>	<u>5,515,662</u>	<u>192,747</u>

Governmental Activities (continued)

Innovation Charter School, Inc. Change in Net Position (continued)			
	<u>2026</u>	<u>2025</u>	<u>Variance</u>
Expenses:			
Instruction	\$ 2,641,367	\$ 2,429,942	\$ 211,425
Exceptional programs	200,687	216,484	(15,797)
Instructional curriculum development	90,943	255,223	(164,280)
Instructional staff training services	750	10,239	(9,489)
Instructional-related technology	118,864	315,972	(197,108)
Board services	25,946	33,952	(8,006)
School administration	688,551	1,042,432	(353,881)
Fiscal services	112,336	125,960	(13,624)
Food services	539,297	527,969	11,328
Operation of plant	590,689	627,795	(37,106)
Pupil transportation services	217,425	210,050	7,375
Pupil services	56,500	37,049	19,451
Interest expense	9,838	27,521	(17,683)
Total expenses	<u>5,293,193</u>	<u>5,860,588</u>	<u>(567,395)</u>
Change in net position	415,216	(344,926)	760,142
Net position - beginning	<u>2,429,716</u>	<u>2,774,642</u>	<u>(344,926)</u>
Net position - ending	\$ <u>2,844,932</u>	\$ <u>2,429,716</u>	\$ <u>415,216</u>

General revenues, compared to the previous year, increased due to a third payment to referendum settlement that was awarded to the school. Additionally, program revenues decreased due to an overall decrease in grant funding. Total expenses primarily decreased due to a decrease in administration, staffing and technology-related expenses.

Financial Analysis of Governmental Funds

The General Fund is the chief operating fund of the School. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$ 518,552, while total fund balance increased to \$ 2,759,808. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 9.3% of total General Fund expenditures, while total fund balance represents 49.3% of that same amount.

Financial Analysis of Governmental Funds (continued)

The fund balance of the School's General Fund increased by \$ 427,354 during the current fiscal year. The increase was due to the third installment payment related to referendum settlement in the current year.

The Special Revenue Fund does not have an increase or decrease in fund balance during the current fiscal year as this fund reports state expenditure reimbursement grants. The Capital Projects Fund does not have an increase or decrease in fund balance during the current fiscal year as this fund reports state expenditure reimbursement grants.

Significant Capital Assets and Long-Term Financing Activity

Capital assets: As of June 30, 2026, the School had capital assets of \$ 1,467,914, net of accumulated depreciation and amortization, invested in lease assets, and furniture and equipment. Capital asset additions for the year included \$ 1,382,790 for the building lease asset. Additional information on the School's capital assets can be found in Note 4 of this report.

Debt: At June 30, 2026, the School had outstanding debt of \$ 1,382,790, compared to \$ 467,762 in the prior year. The increase was due to school extending the long-term lease for its building. Additional information on the School's debt can be found in Note 5 of this report.

Currently Known Facts, Decisions, or Conditions

For fiscal year 2026-2027, the School plans to continue prioritizing instructional programs, staffing, and resources to support student achievement while maintaining sound fiscal management practices. Management will continue to monitor expenditures and align spending with available funding and operational needs. Based on current enrollment trends, the School expects a moderate decline in student enrollment during fiscal year 2026-2027, which may reduce overall revenue. The School maintains reserve funds to help offset potential revenue shortfalls and support continued financial stability.

Requests for Information

This financial report is designed to provide a general overview of Innovation Charter School, Inc. 's finances for all those with an interest. If you should have any questions pertaining to the information presented in this report or would like additional information, please contact the Finance Director of Innovation Charter School, Inc. at 600 SW 3rd Street, Pompano Beach, FL 33060.

BASIC FINANCIAL STATEMENTS

Innovation Charter School, Inc.
Statement of Net Position
June 30, 2026

Current Assets:

Cash and cash equivalents	\$ 2,363,118
Due from other governments	461,394
Prepaid items	<u>36,392</u>
Total current assets	<u>2,860,904</u>

Noncurrent Assets:

Deposits	45,127
Capital assets, net of accumulated depreciation and amortization	<u>1,467,914</u>
Total noncurrent assets	<u>1,513,041</u>
Total assets	<u>4,373,945</u>

Current Liabilities:

Accounts payable	10,361
Accrued liabilities	135,862
Lease payable	<u>445,065</u>
Total current liabilities	591,288

Noncurrent Liabilities:

Lease payable	<u>937,725</u>
Total liabilities	<u>1,529,013</u>

Net Position:

Net investment in capital assets	85,124
Unrestricted	<u>2,759,808</u>
Total net position	\$ <u>2,844,932</u>

See accompanying notes to financial statements.

Innovation Charter School, Inc.
Statement of Activities
For the Year Ended June 30, 2026

			Program Revenues		Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue (Expense) and Change in Net Position
	Expenses				
Functions/Programs:					
Instruction	\$ 2,641,367	\$ -	\$ 125,348	\$ -	\$ (2,516,019)
Exceptional programs	200,687	-	-	-	(200,687)
Instructional curriculum development	90,943	-	53,756	-	(37,187)
Instructional staff training services	750	-	-	-	(750)
Instructional-related technology	118,864	-	-	-	(118,864)
Board services	25,946	-	-	-	(25,946)
School administration	688,551	-	-	-	(688,551)
Fiscal services	112,336	-	-	-	(112,336)
Food services	539,297	-	406,185	-	(133,112)
Operation of plant	590,689	-	-	485,729	(104,960)
Pupil transportation services	217,425	-	-	-	(217,425)
Pupil services	56,500	-	-	-	(56,500)
Interest expense	9,838	-	-	-	(9,838)
Total governmental activities	\$ 5,293,193	\$ -	\$ 585,289	\$ 485,729	(4,222,175)
General revenues:					
FTE nonspecific revenues					3,451,695
Referendum revenues					1,034,512
Miscellaneous revenues					151,184
Total general revenues					4,637,391
Change in net position					415,216
Net position, July 1, 2025					2,429,716
Net position, June 30, 2026					\$ 2,844,932

See accompanying notes to financial statements.

Innovation Charter School, Inc.
Balance Sheet of Governmental Funds
June 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Assets:				
Cash and cash equivalents	\$ 2,363,118	\$ -	\$ -	\$ 2,363,118
Due from other governments	461,394	-	-	461,394
Prepaid items	36,392	-	-	36,392
Deposits	45,127	-	-	45,127
Total assets	\$ 2,906,031	\$ -	\$ -	\$ 2,906,031
Liabilities:				
Accounts payable	\$ 10,361	\$ -	\$ -	\$ 10,361
Accrued liabilities	135,862	-	-	135,862
Total liabilities	146,223	-	-	146,223
Fund Balance:				
Nonspendable:				
Prepaid items	36,392	-	-	36,392
Deposits	45,127	-	-	45,127
Assigned:				
Capital replacement	92,000	-	-	92,000
Curriculum	173,153	-	-	173,153
Maintenance	19,584	-	-	19,584
Technology	75,000	-	-	75,000
Operating reserves	1,800,000	-	-	1,800,000
Unassigned	518,552	-	-	518,552
Total fund balances	2,759,808	-	-	2,759,808
Total liabilities and fund balances	\$ 2,906,031	\$ -	\$ -	\$ 2,906,031

See accompanying notes to financial statements.

Innovation Charter School, Inc.
Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position
June 30, 2026

Total Fund Balances of Governmental Funds	\$	2,759,808
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources; and therefore, are not reported in the governmental funds:

Cost of capital assets	\$	3,098,143	
Accumulated depreciation/amortization		<u>(1,630,229)</u>	1,467,914

Liabilities not payable with current available resources are not reported as fund liabilities in the governmental fund statements. All liabilities, both current and long-term, are reported in the government-wide statements.

Lease payable		<u>(1,382,790)</u>
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Net Position of Governmental Activities	\$	<u>2,844,932</u>
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See accompanying notes to financial statements.

Innovation Charter School, Inc.
Statement of Revenues, Expenditures and
Changes in Fund Balances of Governmental Funds
For the Year Ended June 30, 2026

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
Revenues:				
Federal through state	\$ -	\$ 584,159	\$ -	\$ 584,159
State sources	3,451,695	-	271,783	3,723,478
Local sources	1,185,696	1,130	213,946	1,400,772
Total revenues	4,637,391	585,289	485,729	5,708,409
Expenditures:				
Current:				
Instruction	2,487,869	125,348	-	2,613,217
Exceptional programs	200,687	-	-	200,687
Instructional curriculum development	37,187	53,756	-	90,943
Instructional staff training services	750	-	-	750
Instructional-related technology	118,864	-	-	118,864
Board services	25,946	-	-	25,946
School administration	688,551	-	-	688,551
Fiscal services	112,336	-	-	112,336
Food services	133,112	406,185	-	539,297
Operation of plant	43,188	-	95,751	138,939
Pupil transportation services	217,425	-	-	217,425
Pupil services	56,500	-	-	56,500
Capital outlay	1,382,790	-	-	1,382,790
Debt service:				
Principal	77,784	-	389,978	467,762
Interest	9,838	-	-	9,838
Total expenditures	5,592,827	585,289	485,729	6,663,845
Deficiency in revenues under expenditures	(955,436)	-	-	(955,436)
Other Financing Sources:				
Issuance of lease liability	1,382,790	-	-	1,382,790
Net change in fund balance	427,354	-	-	427,354
Fund Balances, July 1, 2025	2,332,454	-	-	2,332,454
Fund Balances, June 30, 2026	\$ 2,759,808	\$ -	\$ -	\$ 2,759,808

See accompanying notes to financial statements.

Innovation Charter School, Inc.
Reconciliation of the Statement of Revenues,
Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2026

Net Change in Fund Balances of Governmental Funds	\$ 427,354
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Amounts reported for governmental activities in the
Statement of Activities are different because:

The governmental funds report capital outlay as
expenditures; however, in the statement of activities
these costs are allocated over their estimated useful
lives as depreciation/amortization:

Capital outlay	\$ 1,382,790	
Depreciation/amortization	<u>(479,900)</u>	902,890

Repayment of debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	467,762
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Entering into lease obligation is recorded as an other source of financing in the governmental funds, but entering into lease obligations increase long-term liabilities in the statement of net position.	<u>(1,382,790)</u>
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Change in Net Position of Governmental Activities	\$ <u>415,216</u>
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See accompanying notes to financial statements.

Note 1 - Organization and Operations

Innovation Charter School, Inc. (the "School") was incorporated as a not-for-profit corporation on July 10, 2013, organized pursuant to Chapter 617, Florida Statutes, the Florida Not for Profit Corporation Act and Section 228.056, Florida Statutes. The governing body of the School is the Board of Directors (the "Board"), which is comprised of three members. The School's charter started July 1, 2015 and operations began August 2015. The School serves students in kindergarten through fifth grade.

Note 2 - Summary of Significant Accounting Policies

Reporting entity: The School operates under a charter of the sponsoring school district, the School District of Broward County, Florida (the "District"). The current charter is effective until June 30, 2030. The School is a component unit of the District.

Criteria for determining if other entities are potential component units of the School which should be reported with the School's basic financial statements are identified and described in the Governmental Accounting Standards Board ("GASB") Codification of Governmental Accounting and Financial Reporting Standards. The application of these criteria provides for identification of any entities for which the School is financially accountable and other organizations for which the nature and significance of their relationship with the School are such that exclusion would cause the School's basic financial statements to be misleading or incomplete. Based on these criteria, no component units are included with the reporting entity of the School.

Basis of presentation: The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") as applied to governmental units. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Government-wide financial statements: Government-wide financial statements, including the statement of net position and the statement of activities, present information about the School as a whole.

Government-wide financial statements are prepared using the economic resources measurement focus. The statement of activities presents a comparison between direct expenses and program revenues for each function or program of the School's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are thereby clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School.

Fund financial statements: Fund financial statements report detailed information about the School in the governmental funds. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is reported in a separate column. Because the focus of governmental fund financial statements differs from the focus of government-wide financial statements, a reconciliation is presented with each of the governmental fund financial statements.

Note 2 - Summary of Significant Accounting Policies (continued)

The School reports the following major governmental funds:

General Fund - This fund is used to account for all operating activities of the School except for those required to be accounted for in another fund.

Special Revenue Fund - This fund is used to account for federal grants and certain state grants that are legally restricted to expenditures for particular purposes.

Capital Projects Fund - This fund is used to account for state and local capital outlay funding that is legally restricted to expenditures for particular purposes.

During the course of operations, the School has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds. While these balances are reported in the government fund financial statements, they are eliminated in the preparation of the government-wide financial statements.

Net position: Net position is classified in three categories. The general meaning of each is as follows:

Net investment in capital assets - represents the difference between the cost of capital assets, less accumulated depreciation and amortization reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets (if any).

Restricted - consists of net position with constraints placed on their use either by: 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. The School had no restricted net position as of year-end.

Unrestricted - the portion of net position that does not meet the definition of the other two categories.

When both restricted and unrestricted resources are available for use, it is the School's policy to use restricted resources first, then, unrestricted resources as they are needed.

Fund balance: The governmental fund financial statements present fund balances based on the provisions of U.S. GAAP which provide clearly defined fund balance classifications to report on the nature and extent to which the School is bound to have constraints on the specific purposes for which amounts in those funds can be spent. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable* - consists of amounts that are not in spendable form and amounts that are legally or contractually required to be maintained intact.
- *Restricted* - consists of amounts with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

Note 2 - Summary of Significant Accounting Policies (continued)

- *Committed* - consists of amounts that can be used for specific purposes voted on through formal action of the Board (the highest level of decision-making authority). The committed amount cannot be used for any other purpose unless the Board removes or changes the commitment through formal action.
- *Assigned* - consists of amounts that the Board intends to use for a specific purpose, but they are neither restricted nor committed.
- *Unassigned* - represents the residual amount for the general fund that is not contained in the other classifications. The general fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the School considers restricted funds to be spent first. When expenditures are incurred for which committed, assigned or unassigned fund balance is available, the School would consider committed funds to be spent first, then assigned funds, and lastly unassigned funds. The details of the fund balance are included in the Balance Sheet of Governmental Funds.

Basis of accounting: Basis of accounting refers to when revenues and expenditures, or expenses, are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are prepared using the modified accrual basis of accounting. Revenues are recognized when they become measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The School considers revenues to be available if they are collected within 120 days of the end of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source.

All other revenue items are considered to be measurable and available only when cash is received by the School. Under the modified accrual basis of accounting, expenditures are generally recognized when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized when due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Student funding is provided by the state of Florida through the School District. Such funding is recorded as full-time equivalent ("FTE") revenue in the government-wide financial statements and state source revenue in the fund financial statements. This funding is received on a prorated basis over a 12-month period and is adjusted for changes in FTE student population.

Note 2 - Summary of Significant Accounting Policies (continued)

Cash and cash equivalents: The School considers all demand accounts and short-term investments with a maturity of three months or less when purchased to be cash and cash equivalents. The School maintains its cash accounts with one financial institution. The School's accounts at this institution, at times, may exceed the federally insured limit, however, the School's deposits are collateralized in accordance with Chapter 280 of the Florida Statutes (Note 3).

Prepaid items: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

Due to and due from other funds: Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Capital assets: Capital assets purchased or acquired with an original cost of \$ 1,000 or more are capitalized at historical cost or estimated historical cost and are reported in the government-wide financial statement. Donated capital assets are valued at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized and depreciated over the remaining useful lives of the related capital assets. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets, which include equipment acquired with state shared revenues are reported in the government-wide financial statements.

Depreciation and amortization on all assets are provided on the straight-line basis over the capital asset's estimated useful lives or lease term, whichever is shorter, as follows:

Furniture and equipment	3-5 years
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Right-of-use asset: The School has recorded a right-of-use lease asset in accordance with GASB. The right-of-use asset is initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-of-use asset is amortized on a straight-line basis over the shorter of the useful life or the lease term.

Unearned revenue: Unearned revenue arises when the School receives resources before it has a legal claim to them.

Deferred outflows/inflows of resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The School does not have any items that qualify for reporting in this category.

Note 2 - Summary of Significant Accounting Policies (continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The School does not have any items that qualify for reporting in this category.

Income taxes: The School qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(3), and is, therefore, exempt from income tax. Accordingly, no tax provision has been made in the accompanying financial statements.

Use of estimates: The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Adoption of new accounting standards: The School implemented GASB Statement No. 103, *Financial Reporting Model Improvements*, during the year ended June 30, 2026. The statement revised certain financial reporting requirements, including the content and presentation of management's discussion and analysis and other financial statement presentation and disclosure requirements.

The School also implemented GASB Statement No. 104, *Disclosure of Certain Capital Assets*, which addresses obligations for governmental entities to separately disclose certain types of capital assets. Implementation did not change the presentation and related disclosures of the School.

The adoption of both standards did not affect any amounts previously reported in the School's financial statements.

Date of management review: The School has evaluated subsequent events through September 29, 2026, the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

Note 3 - Cash and cash equivalents

At June 30, 2026, the carrying amount of the School's deposits and cash on hand totaled \$ 2,363,118 with a bank balance of \$ 2,394,445.

State statutes require, and it is the School's policy, that all deposits be made into, and be held by, financial institutions designated by the Treasurer of the State of Florida as qualified public depositories as defined by Chapter 280 of the Florida Statutes. This statute requires that every qualified public depository institution maintain eligible collateral to secure the public entity's funds. The minimum collateral to be pledged by an institution, the collateral eligible for pledge, and reporting requirements of the qualified public depositor to the Treasurer are defined by the Statute. Collateral is pooled in a multiple qualified public depository institution pool with the ability to assess members of the pool should the need arise. The School's deposits of \$ 2,144,445, in excess of the federal insured limit of \$ 250,000, are held in a qualified public depository and are covered by the collateral pool held in the name of the financial institution's trust department or agent but not in the School's name.

Note 4 - Capital Assets

A summary of changes in governmental capital assets is as follows:

	Balance at July 1, 2025	Additions	Deletions	Balance at June 30, 2026
Capital assets not being depreciated/amortized:				
Construction in progress	\$ 30,502	\$ -	\$ (30,502)	\$ -
Total capital assets not being depreciated/amortized	30,502	-	(30,502)	-
Capital assets being depreciated/ amortized:				
Furniture and equipment	329,601	30,502	-	360,103
Lease asset:				
Building	1,355,250	1,382,790	-	2,738,040
Total capital assets being depreciated/amortized	1,684,851	1,413,292	-	3,098,143
Accumulated depreciation/ amortization:				
Furniture and equipment	246,829	28,150	-	274,979
Lease asset:				
Building	903,500	451,750	-	1,355,250
Total accumulated depreciation/amortization	1,150,329	479,900	-	1,630,229
Net capital assets	\$ 565,024	\$ 933,392	\$ (30,502)	\$ 1,467,914

Depreciation and amortization for the year ended June 30, 2026 amounted to \$ 479,900. The School allocated \$ 28,150, 6% of the depreciation and amortization, to instruction and \$ 451,750, 94%, to the operation of plant.

Note 5 - Lease

During the year, the School entered into an agreement with a related party (Note 6) that extends the building lease through June 30, 2029. In accordance with U.S. GAAP, the School recognized the agreement by remeasuring the lease liability and adjusting the right-of-use asset for the same amount of \$1,382,790. The School measured the lease liability using a discount rate of 3.86% as of June 15, 2026, the effective date of the new agreement. The agreement did not have any options to extend or terminate that the School was reasonably certain to utilize.

Note 5 - Lease (continued)

The following is a schedule of the School's future base rent payments as of June 30, 2026:

Year Ending June 30,	Principal	Interest	Total
2027	\$ 445,065	\$ 44,535	\$ 489,600
2028	459,059	30,541	489,600
2029	478,666	10,934	489,600
	<u>\$ 1,382,790</u>	<u>\$ 86,010</u>	<u>\$ 1,468,800</u>

The lease activity for the year ended June 30, 2026, is as follows:

	Balance at July 1, 2025	Additions	Deletions	Balance at June 30, 2026	Amount Due Within One Year
Lease - building	\$ <u>467,762</u>	\$ <u>1,382,790</u>	\$ <u>467,762</u>	\$ <u>1,382,790</u>	\$ <u>445,065</u>

Note 6 - Related Party Transactions

Several members of the School's Board are employees of the organization from which the School leases its main facility. Monthly lease payments are approximately \$ 40,000.

Note 7 - Employee Benefit Plan

The School offers all of its full-time employees who had attained 21 years of age a retirement plan (the "Plan") under Internal Revenue Code Section 403(b). The employee is allowed to contribute up to a maximum of 100% of their annual gross compensation, subject to certain limitations. The Plan provides for a discretionary employer matching contribution of the participant's annual elective deferral to the Plan. Participants are immediately vested in their own contributions and earnings on those contributions. Participants become vested in School contributions and earnings on School contributions according to a two- to six-year graded vesting. A participant is vested 20% after two years, 40% after three years, 60% after four years, 80% after five years, and 100% after six years.

Note 8 - Capital Appropriations Funding

The Florida Department of Education has approved a Charter School Capital Outlay ("CSCO") Award for the School. In each year that funds are appropriated by the state for charter school capital outlay purposes those funds are allocated among eligible charter schools. The funds for the School's allocation are transferred to the School once a CSCO plan has been provided to and approved by the sponsoring board. The School's CSCO Award totaled \$ 271,783 for the 2025-2026 school year which has been recognized as revenue in the accompanying financial statements. If the CSCO funds are used to acquire tangible property assets, the District has a reversionary interest in those assets. In the event of nonrenewal, termination, or breach of the charter school agreement, ownership of the assets would automatically revert to the District. The School has elected to use these funds to pay a portion of the principal on the lease and for certain facility maintenance expenditures.

Note 8 - Capital Appropriations Funding (continued)

Local Capital Improvement Revenue ("LCIR") funds are also appropriated by the District for charter school capital outlay purposes, with funds being allocated among eligible charter schools in a similar manner to the CSCO award. The School's LCIR award totaled \$ 213,946 for the 2025-2026 school year which has been recognized as revenue in the accompanying financial statements.

Note 9 - Risk Management

The School is exposed to various risks of loss related to torts, thefts of, damage to, and destruction of assets, errors and omissions, employee health, workers' compensation and natural disasters for which the School carries commercial insurance. There have been no claims in excess of insurance coverage limits during the past three years.

Note 10 - Referendum Settlement

In 2018, the voters of Broward County approved a Referendum allowing the District to levy an ad valorem tax for fiscal years July 1, 2019 through June 30, 2023 to enhance funding for school resource officers, hire school security staff, increase compensation to recruit and retain highly qualified district teachers. The District previously levied and distributed all revenue generated pursuant to the 2018 Referendum to non-public schools for 2019-2023 school years.

The School filed an action against the District asserting that the District breached its contractual obligation to pay the School their proportionate share of the 2018 Referendum Levy. In March 2024, the Florida Commissioner of Education directed a Memorandum to the Florida State Board of Education, finding probable cause that the District was not in compliance with Florida law as a result of not sharing revenues generated by the 2018 Referendum. A settlement was reached between the District and the School, with a payment plan beginning in July 2024. For the year ended June 30, 2026, the School recognized \$ 1,034,512 in the government-wide financial statements as general revenues and \$ 1,034,512 in the governmental fund's financial statements as local source revenue. As of the date of this report, all amounts related to the settlement have been received.

REQUIRED SUPPLEMENTARY INFORMATION

Innovation Charter School, Inc.
Schedule of Revenues and Expenditures
Budget and Actual - General Fund
For the Year Ended June 30, 2026

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Original vs. Final Budget Variance</u>	<u>Actual</u>	<u>Actual vs Final Budget Variance</u>
Revenues:					
State sources	\$ 3,686,704	\$ 3,686,704	\$ -	\$ 3,451,695	\$ (235,009)
Local sources	<u>622,199</u>	<u>622,199</u>	<u>-</u>	<u>1,185,696</u>	<u>563,497</u>
Total revenues	<u>4,308,903</u>	<u>4,308,903</u>	<u>-</u>	<u>4,637,391</u>	<u>328,488</u>
Expenditures:					
Current:					
Instruction	2,321,572	2,321,572	-	2,487,869	(166,297)
Exceptional programs	229,011	229,011	-	200,687	28,324
Instructional curriculum development	131,356	131,356	-	37,187	94,169
Instructional staff training services	1,910	1,910	-	750	1,160
Instructional related technology	137,916	137,916	-	118,864	19,052
Board services	33,966	33,966	-	25,946	8,020
School administration	723,963	723,963	-	688,551	35,412
Fiscal services	167,958	167,958	-	112,336	55,622
Food services	-	-	-	133,112	(133,112)
Operation of plant	306,138	306,138	-	43,188	262,950
Pupil transportation services	217,925	217,925	-	217,425	500
Pupil services	30,000	30,000	-	56,500	(26,500)
Capital outlay	-	-	-	1,382,790	(1,382,790)
Debt service:					
Principal	-	-	-	77,784	(77,784)
Interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,838</u>	<u>(9,838)</u>
Total expenditures	<u>4,301,715</u>	<u>4,301,715</u>	<u>-</u>	<u>5,592,827</u>	<u>(1,291,112)</u>
Excess (deficiency) of revenues over (under) expenditures	7,188	7,188	-	(955,436)	(962,624)
Other Financing Sources:					
Issuance of lease liability	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,382,790</u>	<u>1,382,790</u>
Net change in fund balance	\$ <u>7,188</u>	\$ <u>7,188</u>	\$ <u>-</u>	427,354	\$ <u>420,166</u>
Fund balance, beginning				<u>2,332,454</u>	
Fund balance, ending				\$ <u>2,759,808</u>	

See the accompanying notes to the budgetary comparison schedules.

Innovation Charter School, Inc.
Schedule of Revenues and Expenditures
Budget and Actual - Special Revenue Fund
For the Year Ended June 30, 2026

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Original vs. Final Budget Variance</u>	<u>Actual</u>	<u>Actual vs. Final Budget Variance</u>
Revenues:					
Federal through state	\$ 593,520	\$ 593,520	\$ -	\$ 584,159	\$ (9,361)
Local sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,130</u>	<u>1,130</u>
Total revenues	<u>593,520</u>	<u>593,520</u>	<u>-</u>	<u>585,289</u>	<u>(8,231)</u>
Expenditures:					
Current:					
Instruction	124,763	124,763	-	125,348	(585)
Instructional curriculum development	53,757	53,757	-	53,756	1
Food services	<u>582,924</u>	<u>582,924</u>	<u>-</u>	<u>406,185</u>	<u>176,739</u>
Total expenditures	<u>761,444</u>	<u>761,444</u>	<u>-</u>	<u>585,289</u>	<u>176,155</u>
Deficiency of revenues under expenditures	(167,924)	(167,924)	-	-	167,924
Other Financing Sources:					
Transfers in	<u>167,924</u>	<u>167,924</u>	<u>-</u>	<u>-</u>	<u>(167,924)</u>
Net change in fund balance	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	-	\$ <u>-</u>
Fund balance, beginning				<u>-</u>	
Fund balance, ending				\$ <u>-</u>	

See the accompanying notes to the budgetary comparison schedules.

Note 1 - Budgetary Policy and Basis of Accounting

An operating budget is adopted and maintained by the governing board for all governmental funds except the Capital Projects Fund, pursuant to the requirements of Florida Statutes. The budget is adopted using the same basis of accounting that is used in the preparation of the financial statements.

Note 2 - Budgetary Highlights between Original Budget and Final Budget

There were no variances between the original and final budget for the General Fund or the Special Revenue Fund.

Note 3 - Budgetary Highlights between Actual Results and Final Budget

In the General Fund, actual revenues were favorable to the final budget for the year ended June 30, 2026, primarily due to referendum revenues exceeding budgeted amounts. Actual expenditures were unfavorable to the final budget, mainly due to increased instructional personnel and instructional materials costs resulting from the additional local revenues available. In addition, capital outlay expenditures were unfavorable, and other financing sources were favorable, due to the renegotiation of the School's lease liability.

In the Special Revenue Fund, actual revenues were unfavorable compared to the final budget for the year ended June 30, 2026, primarily due to lower-than-anticipated federal funding. Actual expenditures were favorable to the final budget, primarily due to lower food service expenditures than anticipated.

Note 4 - Excess of Expenditures over Appropriations

In the General Fund, expenditures for the year ended June, 30, 2026, exceeded appropriations by \$ 1,291,112. These over-expenditures were funded by greater than anticipated revenues and other financing sources.

OTHER AUDITOR'S REPORTS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
Innovation Charter School, Inc.
Pompano Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Innovation Charter School, Inc. (the "School"), a component unit of the School District of Broward County, Florida, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the School's basic financial statements and have issued our report thereon dated September 29, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School's internal control. Accordingly, we do not express an opinion on the effectiveness of the School's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

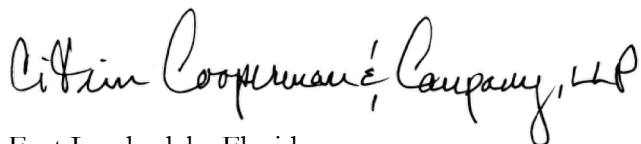
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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Fort Lauderdale, Florida
September 29, 2026

MANAGEMENT LETTER REQUIRED BY CHAPTER 10.850 OF THE *RULES OF THE AUDITOR GENERAL* OF THE STATE OF FLORIDA

To the Board of Directors
Innovation Charter School, Inc.
Pompano Beach, Florida

Report on the Financial Statements

We have audited the financial statements of the governmental activities and each major fund of Innovation Charter School, Inc. (the "School") as of and for the fiscal year ended June 30, 2026, and have issued our report thereon dated September 29, 2026.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated September 29, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.854(1)(e)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no findings or recommendations made in the preceding annual financial audit report.

Official Title

Section 10.854(1)(e)5., *Rules of the Auditor General*, requires that the name or official title of the entity and the school code assigned by the Florida Department of Education be disclosed in this management letter. The official title and the school code assigned by the Florida Department of Education of the entity are Innovation Charter School, Inc. and 065177.

Financial Condition and Management

Sections 10.854(1)(e)2. and 10.855(11), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate whether or not the School has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific conditions met. In connection with our audit, we determined that the School did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.854(1)(e)6.a. and 10.855(12), *Rules of the Auditor General*, we applied financial condition assessment procedures for the School. It is management's responsibility to monitor the School's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by the same.

Section 10.854(1)(e)3., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Transparency

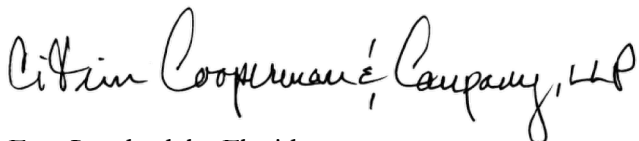
Sections 10.854(1)(e)7. and 10.855(13), *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether the School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes. In connection with our audit, we determined that the School maintained on its website the information specified in Section 1002.33(9)(p), Florida Statutes.

Additional Matters

Section 10.854(1)(e)4., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or fraud, waste, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Board of Directors, applicable management, and the School District of Broward County, and is not intended to be and should not be used by anyone other than these specified parties.



Fort Lauderdale, Florida
September 29, 2026